2013


Ajay K. Mehrotra

Indiana University Maurer School of Law

Follow this and additional works at: http://www.repository.law.indiana.edu/facpub

Part of the Law and Society Commons, Public Policy Commons, and the Social Welfare Commons

Recommended Citation
part of what he calls the management of marginalization as well as draconian measures of social control have dampened collective dissent. Unlike France, which recently witnessed upheavals in suburban ghettos where immigrants without hope are concentrated, the United States has been largely successful in keeping the peace without materially altering place-based disparities in income.

The news is not all bad, Katz assures his readers, reflecting his own determination as a faculty member to avoid discouraging students who are enthusiastic about addressing urban issues. Innovations in social policy, including microfinance, asset building programs, and conditional cash payments, have all shown promise in lifting individuals out of poverty. In the end, however, Katz sees such programs falling short. Drawing on the example of the two poor black men he describes at the outset of his account, one the fatal victim of the other’s assault, Katz points out the failure of these programs to alter the structural conditions that kept them and the poverty around them in place.

Katz does not deny the upward mobility of significant numbers of African Americans over the past generation. Such successes have been characterized, however, by a “paradox of inequality: the coexistence of durable inequalities with individual and group mobility” (p. 75). Women have fared better than men, and those with cumulative assets have outpaced those who have relied on income alone for material improvement. Understanding the process of differentiation that has made the pattern of inequality very different from what existed before the civil rights victories of the mid-twentieth century, he suggests, can provide a powerful analytical tool for contemporary policy debates.

Katz faults fellow historians, as well as the Left more generally, for concentrating so much of their criticism on failed government programs, a factor he believes has aided conservative efforts to weaken the public sector. Urging historians to differentiate between programs that worked and those that did not, he calls for a new narrative “to rehabilitate the role of government” (p. 159). His is not an entirely new plea, but it leaves open questions to what he believes might be the best response to sustained urban poverty.

Despite its considerable strengths, Katz’s assessment underplays an important factor in spatial differentiation. While he mentions the Clinton Administration’s Moving to Opportunity program intended to alleviate urban poverty, he does not connect this effort with a fundamental cause of concentrated poverty: a dual housing market that has confined large numbers of poor to the inner city, where social pathologies naturally follow. As scholars have well established, government-sanctioned “red-lining” that steered guaranteed mortgages away from racially shifting urban areas to predominantly white suburban ones fundamentally undermined cities over time. Exclusionary zoning kept racial differences in place. Subsequent programs to gild the ghetto, as Katz mentions, notably the Community Reinvestment Act requiring banks to direct a portion of their loans to impoverished areas, have narrowed place-based inequalities, but not enough to assure regional equities.

In this light, Katz’s book falls short of being the volume that might best serve, as he intends it to do, as an introduction to the field of urban studies. Its review of contemporary urban policy analysis is wide-ranging and incisive. He animates his assessment with the story of Shorty’s tragic death in North Philadelphia. In addition, he reports the limitations as well as the strengths of new programs in an even-handed manner. What he does not provide in the end is a vision of what might move cities beyond smoldering to vibrancy. As some cities, such as Washington, D.C., gentrify, they become more vital. But what is the fate of the poor in such circumstances? As they move out, what programs follow them to enhance their opportunities? A purposeful effort to locate them close to employment opportunities and with access to the training or educational options necessary to take advantage of them would be ideal. But as Katz indicates, the triumph of the market has made it virtually impossible for any comprehensive response to such challenges for fear of being labeled social engineering. Structural problems require structural responses, but these are not spelled out in this volume. That subject remains for another book.

Howard Gillette, Jr., Emeritus
Rutgers University-Camden


In recent years, there has been a torrent of new and insightful scholarship on the rise of modern American conservatism. Molly C. Michelmore’s outstanding book contributes to this rich and innovative literature by exploring how the development of national tax and spending policies from the New Deal to the Reagan revolution laid the foundation for and ultimately drove the rightward shift in American politics. In this well-researched and elegantly written study, Michelmore makes the powerful and plausible claim that the demise of the New Deal order was rooted in the historically specific policy choices and judgments made during the crises of the Great Depression and World War II. For it was during those national emergencies and the following pivotal decades that liberal lawmakers created what Michelmore calls “a tax and welfare state” that simultaneously “combined a marked ambivalence toward welfare with a spirited defense of individual taxpayers’ rights” (p. 4).

By focusing on changes to federal income tax laws and the evolution of Aid to Families with Dependent Children, Michelmore uncovers the institutional and ideological continuity between New Deal liberalism...
and modern conservatism. Rather than depicting the policy rollbacks of the 1970s and 1980s as a striking backlash against the excesses of the activist state, she argues that the origins of this rightward drift can be found in the particular structures of the post–World War II positive state. On the spending side, Michelmore shows how liberal state-builders from the start favored wage-based social insurance over direct welfare spending. Playing on the long-standing American distinction between the “deserving” and “undeserving” poor, policymakers expanded benefits that were tied to formal labor market participation and defended indirect provisions submerged in the tax code, but they refrained from linking higher taxes to more direct and visible forms of social welfare spending. Indeed, the growth of indirect tax expenditures aimed at middle- and upper-income taxpayers, such as the home mortgage interest deduction and the benefits for employer-provided health care and retirement security, exacerbated the distinction between conscientious taxpayers and dependent “tax eaters.”

The increasing reliance on a hidden and divided welfare state also had pernicious long-term implications. Chief among these was its ability to obscure the cost-benefit calculus of an activist state. Whereas the burdens of direct and progressive taxation were highly salient, the benefits remained concealed within the particularities of the tax code. “By hiding the state in plain view,” Michelmore contends, “liberals enabled the middle-class to see itself as the victims, rather than the beneficiaries, of the taxing and welfare state” (p. 154). It did not take long for conservatives to exploit this sense of victimization. Michelmore acutely notes how macroeconomic stagflation and the property tax protests of the 1970s provided the Republican Party with opportunities to link rising tax burdens to expanding welfare rolls. Although many indirect middle-class tax benefits remained hidden, direct assistance to the “undeserving” poor was more visible. The individual rights of taxpayers soon came to trump social concerns for the downtrodden. After the Nixon administration abandoned its attempts to court white middle-class voters with greater social spending, the GOP hastened its transformation into a one-dimensional “tax cut party.”

Michelmore lucidly demonstrates how the schizophrenic elements of welfare spending led to a truncated vision of American liberalism. Yet her analysis of the tax side of the tax and spending state is at times less cogent. To be sure, she accurately notes that the postwar triumph of “commercial Keynesianism,” particularly with the 1964 Kennedy-Johnson tax cut, paved the way for policymakers to privilege private individual decision-making over government spending. It is unclear, however, how this variant of Keynesianism translated into a commitment to persistently low tax rates. “Throughout the postwar period,” Michelmore contends, “liberals consistently defended low tax rates on ordinary Americans as an essential element of the social compact negotiated during the New Deal, World War II, and postwar eras” (p. 155). To support this claim, Michelmore shows that even during the heights of liberal state building, namely the New Deal and Great Society, progressive lawmakers refrained from enacting direct social welfare benefits funded by tax increases on the majority of American taxpayers. Although that may be true, the postwar era was hardly a golden age of low taxes. From 1945 to the early 1980s, top marginal individual tax rates did not dip below seventy percent, and average rates for median-income households gradually increased from roughly five to nearly twelve percent. Even the 1964 tax cut, as Michelmore admits, was soon followed by a tax hike aimed at restraining inflation and underwriting increased spending on the Vietnam War. Given this tax trajectory, it is difficult to see how low tax rates, or an “anti-tax logic,” were a critical element of the postwar liberal social compact.

Despite these drawbacks, Michelmore has written a clear and concise account of the development of postwar American liberalism. By linking tax and spending policies, she has made a significant contribution to our understanding of the contested and surprising roots of our current political culture.

Ajay K. Mehrotra
Indiana University, Bloomington

CARIBBEAN AND LATIN AMERICA


This book moves beyond immediate questions of slave labor regime structures in colonial Cuba by offering a significant examination of the 1825 slave revolt in Guanacaro, a rural locality in the plantation countryside of western Cuba. One of the chief inspirations for the book, according to Manuel Barcia, is the paucity of scholarship on slave uprisings in Cuba between the well-documented 1812 Aponte rebellion and 1844 La Escalera conspiracy. For this and other reasons the work makes an important contribution to a vast and mature body of literature on slave resistance in the Western Hemisphere. The field’s pervasiveness is evinced by scholars’ recurring interest in slave revolt, rebellion, and revolution as lenses through which larger questions about the nature and purpose of all political struggle and social and cultural identity might be viewed. Among several reasons why the 1825 slave revolt of Colesio (the effective site of the revolt) is an important case study is its potential to reflect the impact of both the Haitian Revolution and the Latin American independence struggles that swept across the Americas in the first decades of the nineteenth century. The 1825 revolt also coincides with the United States’ early foray into empire building (including a special interest in